

**Business Opportunity
For An Urgent Care Medical Clinic**

At Yosemite National Park

CC-YOSE005-11

Department of the Interior

National Park Service

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INTRODUCTION

The National Park Service (“Service”) seeks proposals for a concession contract (“New Contract”) authorizing a Concessioner to operate an urgent care medical clinic within Yosemite National Park (“Park”). This Prospectus describes in general terms the existing business operations and the future business opportunities for the facilities and services allowed pursuant to the New Contract. Offerors are responsible for reviewing all sections of this Prospectus and, specifically, the terms and conditions of the New Contract (in Part IV), including its exhibits, to determine the full scope of the future Concessioner’s responsibilities under the New Contract. The Service is conducting this solicitation in accordance with the National Park Service Concessions Management Improvement Act of 1998 (Pub.L. 105-391), as implemented by the Service in 36 C.F.R. Part 51.

The New Contract offers medical professionals a challenging and rewarding opportunity to serve the medical needs of visitors in one of the nation’s most dynamic outdoor environments. Yosemite National Park is a world-renowned center for outdoor recreation, including rock climbing, hiking and backpacking. Practitioners who enjoy working and living in an extraordinary setting will find that the New Contract offers a rare opportunity to provide diverse medical services in a legendary location.

This Prospectus is issued under the authority of 36 C.F.R. Part 51. In the event of any inconsistency between the terms of this Prospectus and 36 C.F.R. Part 51, 36 C.F.R. Part 51 will control. In the event of any inconsistency between the terms of the New Contract and this prospectus, the New Contract will control. Copies of Pub. L. 105-391 and 36 C.F.R. Part 51 is included as Appendices to this Prospectus.

The term “New Concessioner” as used in the Prospectus refers to the entity that will be the concessioner under the New Contract. The term “Prior Concessioner” refers to Tenet Healthcare Corporation, the concessioner under the current concession contract (“Prior Contract”). The Prior Contract, as amended, is included as an Appendix to this Prospectus.

Service Contract Act

The New Contract is subject to the Service Contract Act of 1965, as amended, 41 U.S.C. §351 et seq., and its implementing regulations (29 C.F.R. Part 4) as well as to the labor standards clauses for Federal Service contracts, which are set out in full in the Operating Plan that is Exhibit A to the New Contract and attached wage determination. Projected cost of labor should be developed with this in mind.

The National Park Service and Its Mission

In 1916, Congress created America’s National Park Service to:

...conserve the scenery and the natural and historic objects and the wild life therein and to provide for the enjoyment of the same in such a manner and by such means as will leave them unimpaired for the enjoyment of future generations. (16 U.S.C. § 1)

Additionally, Congress has declared that the National Park System should be:

...preserved and managed for the benefit and inspiration of all the people of the United States. . . . (16 U.S.C. §1a-1)

The Service has as its overall mission the preservation and public enjoyment of significant aspects of the nation’s natural and cultural heritage. To learn more about the National Park Service, visit www.nps.gov. This site includes information about the Service's mission, policies, and individual park units.



The Mission of Yosemite National Park

As stated in the Park's Statement for Management,

The purpose of the Park was articulated by a series of legislative actions. On June 30, 1864, Yosemite Valley and the Mariposa Big Tree Grove were granted to the state of California to be "held for public use, resort, and recreation" to be "inalienable for all time."

On October 1, 1890, Congress passed an act establishing Yosemite National Park as a "forest reservation" to preserve and protect "from injury of all timber, mineral deposits, natural curiosities, or wonders" within the park area, and to retain them in their "natural condition." The act also prevented the "wanton destruction of the fish, and game" within the park and "against their capture or destruction, for the purposes of merchandise or profit." The act excluded Yosemite Valley and the Mariposa Big Tree Grove, leaving them under the jurisdiction of the state of California as provided for in the act of 1864. A Joint Resolution of Congress on June 11, 1906, accepted the transfer of Yosemite Valley and the Mariposa Big Tree Grove from the state of California, to the federal government, subject to the provisions in the 1890 act.

Additional information on the Park can be found at www.nps.gov/yose/index.htm.

PARK SPECIFIC CONDITIONS

Park Information

Located in the Sierra Nevada of central California, the Park consists of 747,956 acres or 1,169 square miles. Of that acreage, 704,624 (1,101 square miles) are designated wilderness. In the 43,332 non-wilderness acres are the roads and other improvements that facilitate access to and use of the Park by visitors as well as necessary management facilities. Known world-wide, the Park draws visitors for its natural environments, including pristine meadows and lakes, evergreen and hardwood forests, spectacular waterfalls, sheer granite monoliths, and other unique natural features.

Yosemite is comprised of a large, varied landscape. At more than 1,150 square miles in size, the Park is roughly the size of the State of Rhode Island. Although Yosemite is one of the most visited units of the NPS system, nearly 95 percent of the land area is designated wilderness. The park was created in 1864 as a California state park and became a national park in 1890.

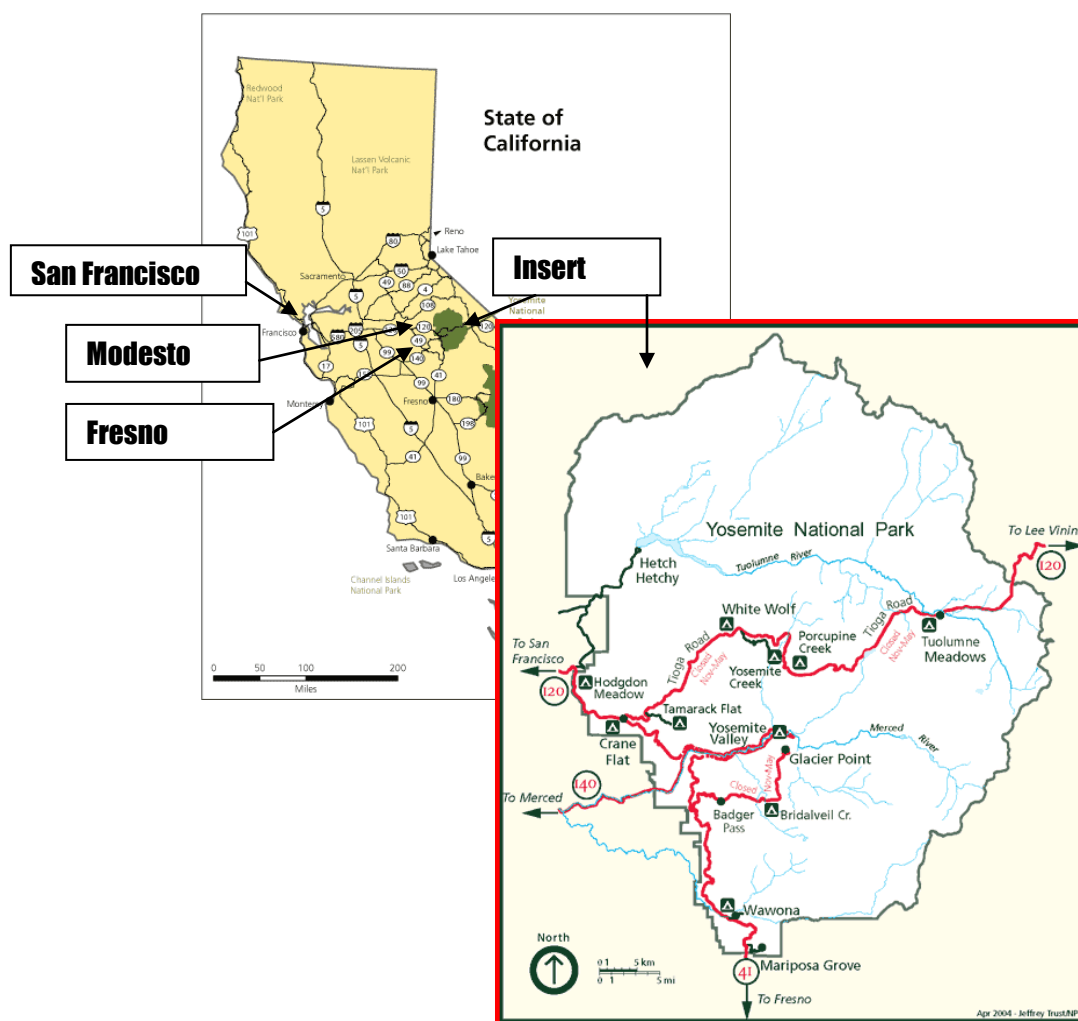
The Park covers a variety of climate zones from the grasses and woodland typical of the Sierra Nevada at around 2,000 feet above sea level in El Portal to the heights of Mount Lyell at 13,114 feet. Climate varies with elevation. In Yosemite Valley, where this concession facility is located, the elevation is approximately 4,000 feet above sea level. Valley summers have high temperatures above 90°F with cooler nights. There are summer and early fall thundershowers and winter snows in Yosemite Valley. Tuolumne Meadows, White Wolf, Crane Flat, Badger Pass, Glacier Point, and Wawona where other facilities are operated under separate contract each have their own distinct weather pattern. Weather affects operating conditions including opening and closing dates of some facilities. The New Concessioner can expect the environment to create special operating demands that are typical of remote mountain operations with limited facilities.



Access to the Park

The Park includes portions of Tuolumne, Mariposa, Mono and Madera counties and lies within the 19th congressional district of California. National Forest lands (Inyo, Sierra, Stanislaus, and Toiyabe) surround the Park's boundaries. Yosemite National Park is located in eastern central California's Sierra Nevada Mountains. It is bordered by the Stanislaus and Sierra National Forests. Yosemite is one of the most iconic, popular units of the national park system. The Park is located approximately two hours' drive from Fresno and Modesto, California; and four hours' drive from San Francisco. Exhibit 1 provides a map that illustrates the locations of Yosemite, San Francisco, Modesto, and Fresno.

EXHIBIT 1. GEOGRAPHIC AREA



Compliance with Federal, State, and Local Laws and Park Jurisdiction

Within Yosemite National Park the Service has exclusive criminal jurisdiction. Federal officers on the Park's staff enforce Federal laws and State laws that have been adopted, through the Federal Assimilative Crimes Act. Law enforcement is conducted by Service rangers holding Federal law enforcement commissions. The Park has memorandums of understanding with the surrounding law enforcement agencies that describe law enforcement and mutual aid relationships.

The State of California retains the right to serve civil process within the park, require that persons fishing in park lakes, rivers and streams obtain a valid California fishing license, to levy taxes, including sales, possessory interest, income and transient occupancy taxes within the Area. The National Park Service consults with agencies of the State of California and local county governments concerning the enforcement of California laws and regulations within the park Area.

Fire protection is provided by the National Park Service utilizing National Park Service equipment and personnel. The National Park Service Division of Facility Management, Utilities Branch, together with the State of California, will inspect and supervise the operation of the park's water supply and sewage disposal systems which are subject to state law by virtue of special Congressional legislation.

Park Planning

The Service is undertaking two Comprehensive Management Plans ("CMPs") for the Merced Wild and Scenic River and the Tuolumne Wild and Scenic River in accordance with the requirements of the Wild and Scenic Rivers Act, 16 USC 1271-1287 ("Act"). The Service does not anticipate any major impacts to the New Contract under these planning efforts but because the plans are establishing visitor capacity, there may be some impact on number of visitors using the Park. Further information may be obtained at <http://www.nps.gov/yose/index.htm>.



MARKET AREA OVERVIEW

The Sierra Nevada Mountain range (“Sierra Nevada”) offers year-round recreational opportunities to all visitors. Visitors to Yosemite National Park engage in a wide range of outdoor activities, including camping, rock climbing, hiking, bird watching, fishing, swimming, and sightseeing. Although access to many locations is limited in winter, ice skating, cross-country skiing, and downhill skiing provide visitors alternatives to summer activities.

The closest established communities to Yosemite are Mariposa, Groveland, and Oakhurst. Of these, Mariposa offers the only 24-hour hospital emergency room in the area. Mariposa is linked year-round to the western entrance of Yosemite via Highway 140 and offers the easiest access to the park for motor coaches and other large vehicles.

Competitive Market Medical Facilities

Visitors to Yosemite are most conveniently served by the Yosemite Medical Clinic. Although small, the facility offers a diverse array of medical services for visitors, employees, and residents of the Park. The vast majority of the patients seen by the Clinic are visiting for minor ailments or injuries. However, Clinic staff treats and/or stabilizes patients with serious injuries and illnesses on a regular basis, including but not limited to, trauma, cardiac and drowning. Patients requiring medical services not available in the Park are transferred to hospitals in Mariposa, Modesto and Fresno, the closest of which is an hour and a half away by ground transportation from Yosemite Valley.

The primary medical facility nearest Yosemite is the John C. Fremont Hospital (“Fremont Hospital”) located in Mariposa. This facility offers the only 24-hour emergency room in the county, a family practice medical clinic, regular visiting specialist clinics, community health programs, and general community health resources.

Other smaller clinics in proximity to the Park include:

Community Medical Center in Oakhurst. This facility serves as a primary care provider to local residents. In addition, basic radiology, mammography, and other diagnostic services are offered. The facility is located on the southwestern edge of the park, approximately one and ½ hours from the Yosemite Valley area.

Groveland Family Medical Center. Operated as a clinic by its parent, Sonora Regional Medical Center, the Groveland facility is located north of Yosemite approximately one hour northwest of Yosemite Valley. According to a representative, the Groveland facility essentially operates as a “physician’s office” and provides primary care to visitors and local residents.

These facilities have evolved in recent years to serve a growing need for medical services in the rural gateway communities to Yosemite.

In addition to the Mariposa, Oakhurst, and Groveland facilities, there are major hospitals, urgent care facilities and primary care physicians serving the cities of in Merced and Sonora, (approximately two hours distant from Yosemite Valley) and in Modesto and Fresno (approximately 2-1/2 hours from Yosemite Valley).



Exhibit 2 illustrates ambulance call volume experienced in Yosemite National Park in 2007 through 2009. Park records indicate that approximately 50% of all ambulance calls result in one or more visits to the clinic.

**EXHIBIT 2. 2007 TO 2009, YOSEMITE EMS PROFILE INCLUDING PARK AND
AMBULANCE CALLS**

| | 2007 | 2008 | 2009 |
|---|------|------|------|
| Trauma-Basic Life Support | 256 | 318 | 329 |
| Trauma-Advanced Life Support | 102 | 71 | 80 |
| Medical (Non-Cardiac) Basic Life Support | 130 | 169 | 144 |
| Medical (Non-Cardiac) Advanced Life Support | 145 | 133 | 150 |
| Cardiac-Basic Life Support | 9 | 5 | 7 |
| Cardiac-Advanced Life Support | 24 | 12 | 26 |
| First Aid Only-Basic Life Support | 0 | 0 | |
| Total | 666 | 708 | 736 |

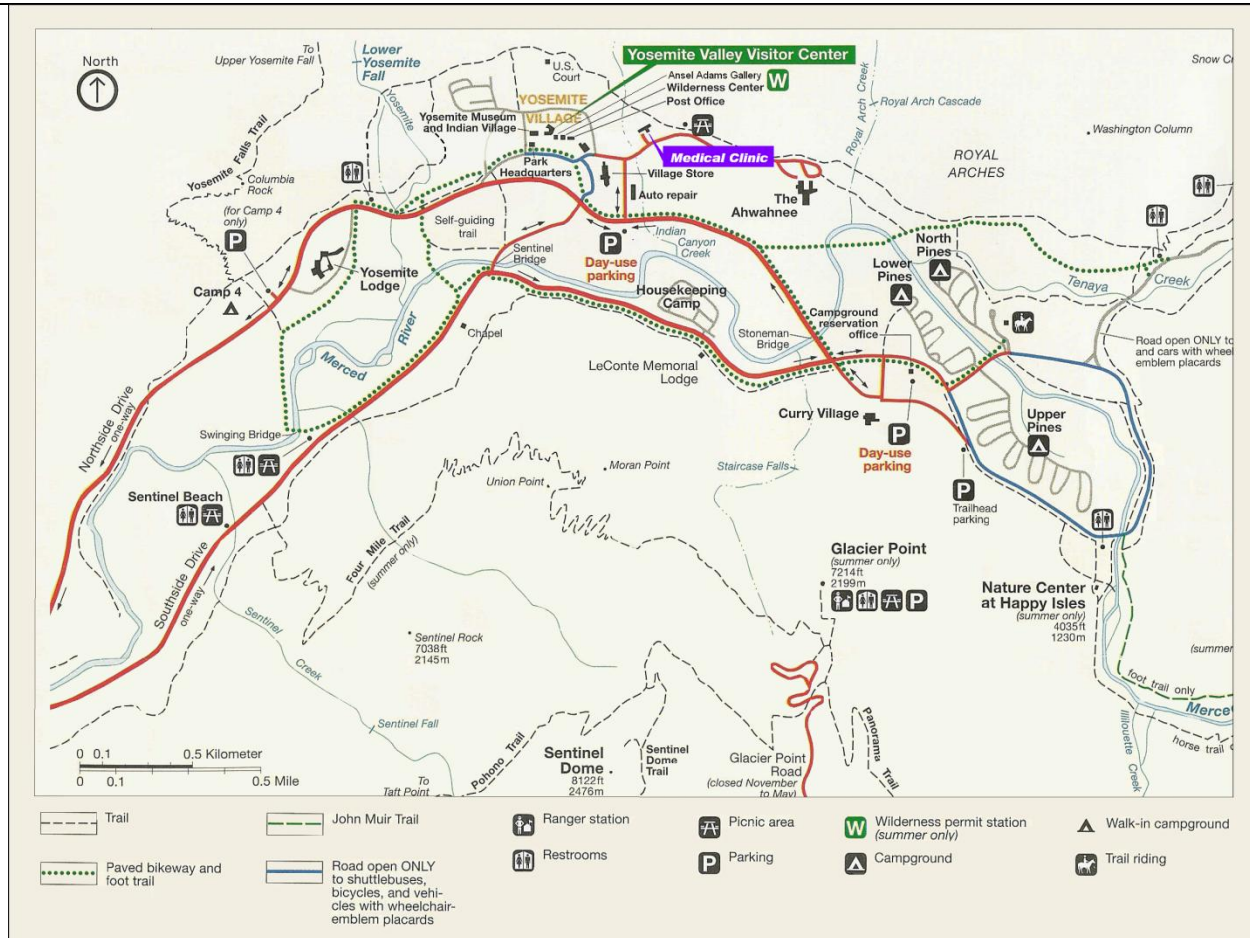
Source: Yosemite EMC Profile data made available by NPS annual EMS search and rescue (SAR) reports

Yosemite National Park Services

The Park offers 1,283 overnight lodging units, including hotel rooms, cabins, and tent cabins. In addition, there are more than 1,504 camp sites. There is a range of dining options, including casual dining, fast food, and fine dining.

Yosemite Valley is the single most popular Park destination with over 80% of all visitors spending time there during their stay.



EXHIBIT 3. YOSEMITE VALLEY MAP

Source: NPS

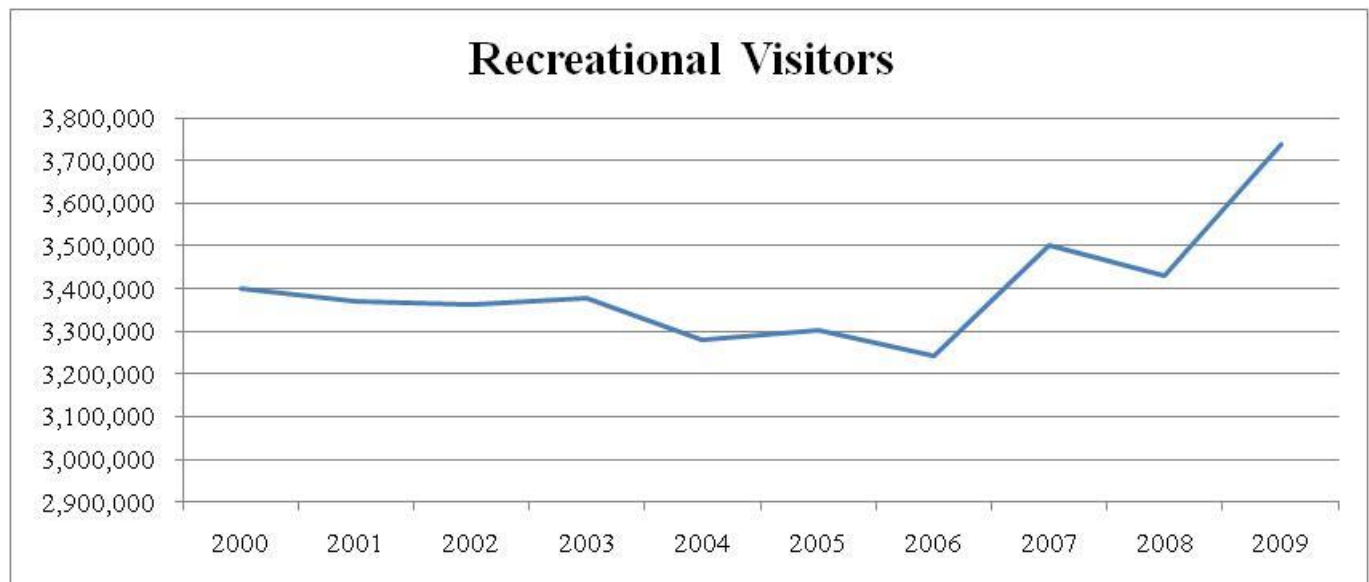
Visitation

Between 1999 and 2009, an average of 3.41 million people visited Yosemite. These years represented a period of general recreation visitation decline. With the exception of minimal growth between 2003 and 2005, the number of recreation visitors to the park declined annually until 2007, when visitation grew by eight percent. Through December, 2009, visitation has grown by nearly 9%. Visitation over the ten year time frame has increased by a compound annual growth rate of nearly 1%.

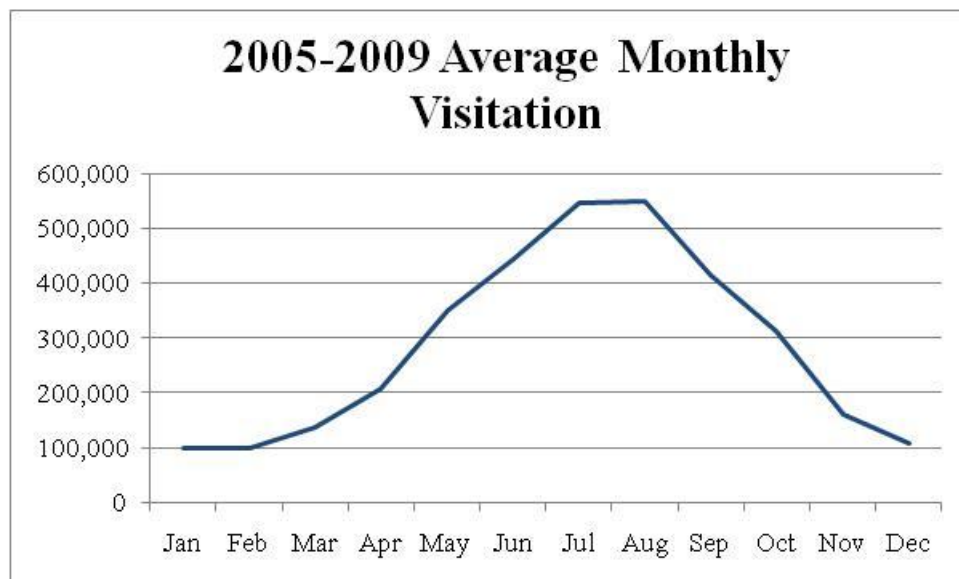
The large increase in visitation in 2009 can likely be attributed to Yosemite's status as not just a popular destination for national and international tourism, but also as a "backyard" park for many Californians. The majority of visitors to Yosemite are residents of California. As the recent economic conditions have limited travel budgets, California residents are more likely to plan a vacation trip that involves driving to Yosemite rather than take a more expensive, distant trip.

Yosemite visitation is greatest during the summer season, with peak visitation occurring in July and August. However, the park is a year-round destination for visitors with the majority of lodging accommodations available throughout the year. It is important to note, however, that even in the "slowest" visitation months of the year, the number of visitors to Yosemite averages, (and in some years has exceeded), 100,000 people per month. Exhibits 2 and 3 depict historical Park visitation and seasonality of Yosemite visitation.



EXHIBIT 4. YOSEMITE NATIONAL PARK TEN YEAR VISITATION TREND

Source: NPS

EXHIBIT 5. YOSEMITE NATIONAL PARK 2005-2009 AVERAGE MONTHLY VISITORS

Source: NPS



The following points create a profile of the Yosemite summer visitor, based on a 2005 Visitor Study completed for the Park.

- 75 percent of visitors interviewed stated their visit to the Park was the primary reason for visiting the Yosemite National Park area” (defined as the area within 50 miles of the Park)
- Nearly 60 percent of visitors plan to spend two or three days in the Park
- 51 percent of visitors saw a site in Yosemite Valley (Bridalveil Falls, Valley Visitor Center, etc.) as their first site visited in the park
- 77 percent of visitors stayed overnight away from home during their trip to Yosemite; 51 percent stayed one or two nights
- Nearly 40 percent of users spent \$500 or more on their trip to Yosemite and the surrounding area; 50 percent spent \$100 or more inside the Park and 27% percent spent more than \$250 inside the Park
- 57 percent of visitors reported being from California; 18 percent of visitors were international
- 60 percent of visitors noted sightseeing or scenic driving as their primary activity while in the Park

A study of Yosemite winter visitors was also completed in 2008. The following points summarize the findings from that study:

- 81 percent of visitors reported being from California; only nine percent were international
- 36 percent of visitors noted sightseeing or scenic driving as their primary activity while in the Park
- 19 percent of visitors spent \$400 or more on their trip to Yosemite and the surrounding area; 56 percent of visitors reported spending no money on their trip
- 65 percent of visitors stayed overnight away from home during their trip to Yosemite

PRIOR CONCESSION OPERATION

The Prior Contract was originally for a term of November 11, 1995 through November 10, 2010. The contract was later amended to reflect a term of January 1, 1996 through December 31, 2010. The operation provides primary care, emergency medicine, operation of an advanced life support ambulance, mental health care, physical therapy, radiology, full-service laboratory, limited pharmaceutical dispensing, and oversight of the Park medic program. A copy of the Prior Contract, including all amendments, can be found in the Appendices to the Prospectus.

The Prior Concessioner provides health medical services for visitors as well as persons employed by the Park, Delaware North Companies Parks and Resorts (DNC), and other entities doing business in the Park. In 2008, there were approximately 950 Park employees working during the summer, and 700 in the winter. DNC, the Park’s primary concessioner responsible for most Yosemite hospitality operations, employed 1,800 people in the summer; and 1,100 people in the winter of 2008. Many of these employees are temporary employees, lack transportation, are from other countries working on a temporary visa, and may not have or qualify for health insurance. Each of these factors compounds the importance of the Clinic to the productivity and service levels achieved by both the Park and DNC.

The Yosemite Medical Clinic is very different from most concession operations. The operating and financial structure of a medical facility is highly complex. While most concession operations depend on a two-party payment system (i.e. the guest pays for a night in lodging), a medical facility has a third payer –



an insurance company. Gross billings (revenues) are rarely a reflection of the revenues ultimately collected by the facility. Insurance companies have contractual agreements with medical providers that stipulate that the insurance company will only pay a provider some fraction of the original billed amount. A summary of the current required and authorized services is shown in Exhibit 6. Historically, the medical clinic has operated as both emergency and primary care clinic. Patients have been admitted on a “walk-in” and by appointment basis.

The existing concessioner fulfills the requirement of providing 24 hour emergency medical care by providing a telephonic “nurse-on-call” when the clinic is closed. Patients who arrive at the clinic, or NPS emergency services personnel, may contact the on-call staff member to describe the nature of their medical condition. The on-call nurse follows established protocols to determine whether the patient requires immediate treatment by clinic staff, should be transferred by ambulance to an out-of-park medical facility, or should be directed to return to the clinic during the next regularly scheduled operating hours.

The assigned land and real property improvements are identified in Exhibit C to the New Contract. Improvements consist of a 9,758 square foot medical clinic building and patient and staff parking. In addition, there are six structures used for clinic staff living quarters – three three-bedroom and two two-bedroom single family residences and a rooms for eight employees in dormitory building, as well as residential parking. All buildings are located within the Yosemite Village and Yosemite Valley National Register Historic Districts. Five of the buildings, including the clinic and four residences are considered contributing resources in those districts. As such, special consideration is necessary for all aspects of operation, including facility operations and repairs.

Currently facility maintenance on the structures is accomplished by the Prior Concessioner. The Concessioner is responsible for snow removal on pathways while the Service provides snow removal on the roadways and parking areas.

The Service approves all rates. A copy of NPS rate approval guidelines is included in the Appendices.



EXHIBIT 6. CURRENT REQUIRED AND AUTHORIZED SERVICES

| Required Services | Minimum Service Level |
|---|---|
| Outpatient medical services, including quality rural health care and family practice medical services | Year round - minimum hours not stated |
| Emergency medical care | 24-hour response |
| Operation of a retail pharmacy | Not stated |
| Provision for visits of medical specialists on a rotational basis | Not stated |
| One ambulance including necessary staff, equipment, and supplies | 24-hour response/availability within Yosemite Valley |
| Medical surveillance program exams | Provided free of charge to NPS |
| Medical surveillance lab, x-ray, boosters, and other ancillary tests ¹ | Licensed physician, experience in Emergency Medicine specialty, suitable space and equipment to support medical control; training for NPS employees responsible for providing EMS |
| Medical control services for Park Emergency Medical Services ("EMS") program ¹ | 24-hour availability for collection of evidence |
| Collection of evidence ¹ | Medical care as needed for individuals incarcerated in the Yosemite Detention Facility |
| Mental health evaluations | As requested by visitor protection rangers |
| Authorized Services | |
| None | |
| ¹ Stated in the Operating Plan, which is an Exhibit to the current contract. These requirements are not listed within the main body of the current contract. | |

Source: NPS

NEW CONCESSION CONTRACT

Significant changes under the New Contract are identified below:

Operating Structure of the Clinic: The New Contract assumes that the Clinic will be operated as an urgent care clinic instead of an emergency and primary care clinic. Services will be provided on a walk-in basis and the most severe patient cases patients will arrive by ambulance to be stabilized before being transferred to out-of-park medical facilities. The clinic will be required to provide urgent care services that are considered medically necessary services required to treat an illness or injury. The Clinic should be capable of providing general clinic-based medical services, as well as resuscitation, stabilization, timely triage, and appropriate transfer when patients require treatment beyond the scope of the clinic practice.

Operating Hours: The Clinic will operate on a daily basis throughout the year, with the hours listed below in Exhibit 7. Operating hours must be approved by the Service, and may not be changed without the prior approval of the Superintendent. The Clinic will not be required to operate on a 24-hour basis but



is authorized to do so. Patients needing emergency medical care after normal Clinic business hours will be stabilized and transported from and by the Park or private air or ground ambulance services.

Ambulance Service: The Park will be responsible for ambulance transport service throughout Yosemite. Clinic practitioners will make arrangements for air and ground ambulance services for patients requiring transport to out-of-park medical facilities during regular clinic business hours.

Employee Housing: Of the six currently assigned structures for employee housing, one structure (#65) will be available only if the Offeror proposes to provide the authorized service of after hours medical care as a required service. If the Offeror does not propose to provide this service, this structure will not be available for employee housing. No employee housing will be provided within the clinic structure itself.

Rates: The Service will base medical rates at the Yosemite Medical Clinic upon medical fee data information provided by Practice Management Information Corp. (PMIC). PMIC gathers and publishes medical fee data across the United States on an annual basis, including regional adjustments for various locations in California. Because PMIC does not publish a regional fee schedule for Yosemite National Park or Mariposa County, the concessioner will adopt the geographical index of the published location for the region closest to the park for rate setting purposes. If no region near the park is included (i.e. Merced, Modesto, Fresno), the concessioner will use the adjustment provided for the “rest of California.” PMIC will publish a new Medical Fees in the United States 2011. We will incorporate that volume when it becomes available. In the interim, the data contained in Medical Fees in the United States 2010 will be used for rate setting purposes at the Yosemite Medical Clinic. Medical Fees in the United States 2010 may be ordered by contacting PMIC at: Telephone: 1-800-633-6556, On-line: www.pmiconline.com.

Maintenance expense levels are projected to decline because the New Concessioner will be required to perform facility operations (as defined in Exhibit B Operating Plan) but will no longer required to provide maintenance of the real property assets.

EXHIBIT 7. FUTURE REQUIRED AND AUTHORIZED SERVICES

| Required Services | | Operating Hours | |
|--|--|--|--|
| Urgent Care Medical Clinic | | Summer- April 1 through October 31: 9:00 AM to 9:00 PM, 7 days per week | |
| | | Winter - November 1 through March 30: 9:00 AM to 6:00 PM, 7 days per week | |
| Authorized Services | | | |
| After hours callback of clinic practitioners | | | |
| 24 Hour Availability of clinic practitioners | | | |
| Physical therapy services | | | |

NPS Note: If the concessioner chooses to provide after hours callback as a required service an additional structure (House # 65) will be assigned.

NPS Note: The National Park Service intends to issue a procurement solicitation for a Park Medical Advisor under whose authority the Park will operate its Emergency Medical Program. This solicitation is expected to be released shortly after a concessioner is selected based on this Prospectus.



FINANCIAL AND OPERATING DATA

The Proposal Package (part III of this Prospectus), which must be completed and submitted as part of any offer for the New Contract, requires Offerors to develop financial projections based on the business to be operated. To assist the Offerors in the development of these projections, the Service presents information regarding historical utilization and operating data. Offerors should be appropriately cautious in the use of historical information and financial projections. Offerors must produce their own pro forma financial statements and rely upon their own financial predictions.

In developing its estimates and the following Exhibits, the Service assumed that the current average gross fee collected per patient would increase with the change in service type compared to past years and collections would also be higher than in the past. The Service will closely analyze Offeror's proposed insurance company reimbursement contracts with its third party payers (or compelling documentation of its ability to negotiate such third party payer contracts) together with Offeror's financial estimates to ensure the contract yields a reasonable opportunity for profit.

Some or all of the projections may not materialize, and unanticipated events may occur that will affect these projections. Offerors should be appropriately cautious in the use of all operating estimates. Although the Service does provide some financial projections, Offerors are responsible for producing their own prospective financial analyses and may not rely on National Park Service projections. The Service does not warrant nor assume any liability for the accuracy of the financial projections or estimates contained in this Prospectus.

Existing Contract Financial Information

EXHIBIT 8. 2007 TO 2009, PATIENT DATA, GROSS RECEIPTS, AND FRANCHISE FEES

| | Calendar Year | | |
|---|---------------|-------------|-------------|
| | 2007 | 2008 | 2009 |
| Park Visitation | 3,503,428 | 3,431,514 | 3,737,472 |
| Yosemite Medical Clinic Visits | 6,998 | 8,117 | 7,292 |
| Gross Receipts | \$1,486,854 | \$1,483,890 | \$1,608,515 |
| Gross Receipts Adjustment | \$442,184 | \$274,732 | \$611,310 |
| Total Net Gross Receipts | \$1,044,670 | \$1,209,158 | \$997,205 |
| Franchise Fees or other Govt. Compensation Paid | \$20,467 | \$22,312 | \$19,992 |

NPS Note: Revenue adjustment represents contractual allowance by medical insurance due to negotiated rates

In addition to the franchise fee payments noted above, the Concessioner also contributed to a Government Improvement Account in the amount of 2% of its annual gross receipts after adjustment.

New Contract Financial Projections



The Service's gross receipts' estimates under the new contract assumes that the Offeror has or will have reimbursement contracts with its third-party payers that allows for revenue increases over the historical revenues. Under these assumptions, urgent care gross fees collected per patient are projected to increase by 73 percent from its 2008 level and non-urgent care gross fees collected per patient are projected to increase by 116 percent. The reasons for these estimated increases are the shift toward an urgent care medical clinic model as well as greater efficiency in billing and collection. The number of Service estimated patients and associated gross revenue per patient is identified in Exhibit 9.

EXHIBIT 9. GROSS RECEIPTS METRIC PROJECTIONS

| Estimated 2011 | | | | |
|--|--|--|--|-------|
| Urgent Care Visits | | | | 2,000 |
| Associated Average Gross Revenue Per Service | | | | \$557 |
| Non Urgent Visits | | | | 5,500 |
| Associated Average Gross Revenue Per Service | | | | \$271 |

Source: NPS

Gross Receipt projections for 2011 through 2015 are reflected in Exhibit 10.

EXHIBIT 10. GROSS RECEIPTS METRIC PROJECTIONS

| | 2011 | 2012 | 2013 | 2014 | 2015 |
|--------------------------|-------------|-------------|-------------|-------------|-------------|
| Patient Gross Receipts | \$2,420,000 | \$2,478,000 | \$2,538,000 | \$2,599,000 | \$2,662,000 |
| Less Revenue Adjustments | \$454,000 | \$465,000 | \$476,000 | \$488,000 | \$500,000 |
| Net Gross Receipts | \$1,966,000 | \$2,013,000 | \$2,062,000 | \$2,111,000 | \$2,162,000 |

NPS Note: Revenue adjustment represents contractual allowance by medical insurance due to negotiated rates

Personal Property Used In Prior Concession Operations

The Service is contractually obligated by the Prior Contract (Section 13) to require that tangible property used or held for use by the Prior Concessioner in connection with operations under the Prior Contract be purchased by the New Concessioner from the Prior Concessioner. The fair value of merchandise and supplies is defined as actual cost including transportation. The fair value of equipment is defined as book value. Personal property consists of medical equipment, furniture, machinery and equipment, office equipment, and vehicles.

A list of the equipment held as of April 2009 by the Prior Concessioner is included in the Appendices to this Prospectus. This list was provided by the Prior Concessioner and should not necessarily be considered as complete or final. The Service performed a professional valuation of the personal property and the book value is estimated at \$35,262 on March 1, 2009. Merchandise supplies are estimated at \$69,755. This value could differ from the amount determined by the Offeror and the Prior Concessioner.



It is the responsibility of Offerors to make their own estimates of the compensation that must be paid to the Prior Concessioner under the terms of the Prior Contract.

Note: The Concessioner currently owns a 1999 and a 2003 ambulance, along with associated equipment and supplies, which under the terms of the Prior Contract will be purchased by the Service subject to the availability of appropriated funds.

Offerors are solely responsible for ascertaining the personal property and inventory and its condition. The purchase price of these items must be estimated by the Offeror. The fact that the final purchase price may be greater than estimated by an Offeror will not be grounds for adjustment of the terms of the New Contract or other relief to the successor.

The Service anticipates the New Concessioner will expend approximately two percent of annual gross receipts on personal property replacement.

Possessory Interest

Any right the Prior Concessioner had to compensation for Possessory Interest (as defined by Public Law 89-249) under the Prior Contract has been fully satisfied under the terms of that contract, and the New Concessioner will have no obligation to compensate the Prior Concessioner for Possessory Interest in real property improvements.

Real Property Improvements

The New Contract prohibits the New Concessioner from constructing any Capital Improvements, as that term is defined in 36 C.F.R. Part 51 (a copy of which is included in the appendices to this Prospectus). “Capital improvements” refers to the construction of new “structures,” the undertaking of “major rehabilitations,” and the installation or replacement of “fixtures” as these terms are defined in Part 51.

The following table summarizes the initial investment estimated to be made by the New Concessioner:

EXHIBIT 11. INVESTMENT ESTIMATES

| Required Initial Investment | Amount | % of Initial Investment |
|---|------------------|--------------------------------|
| Possessory Interest | \$0 | 0% |
| Existing Concessioner's Personal Property | \$36,000 | 6.9% |
| Merchandise and Supplies | \$69,755 | 13.4% |
| Other Pre-Opening Expenses | \$89,000 | 17.1% |
| Other Working Capital | \$325,000 | 62.5% |
| Total | \$519,755 | 100.0% |

Source: NPS

NO PREFERRED OFFEROR

Pursuant to 36 C.F.R. Part 51, the Director has determined that there is no preferred offeror for the New Contract.



FRANCHISE FEES

The minimum franchise fee will be equal to **zero (0%)** of the New Concessioner's annual gross receipts as defined in the New Contract.

TERM AND EFFECTIVE DATE OF THE NEW CONTRACT

The term of the New Contract will be for ten (10) years with an estimated effective date of January 1, 2011. The effective date of the New Contract is subject to change prior to contract award if determined necessary by the Service. In such an event, the expiration date of the New Contract will be changed to continue the same term length from any adjustment to the effective date.

SITE VISIT

A one-day site visit is scheduled to occur on the date listed on the inside front cover of this prospectus. For more information regarding the specific time and to reserve a place please contact:

Kim Tucker, Concession Management Specialist
Yosemite National Park
Phone: 209-372-0333
Email: kim_tucker@nps.gov

The site visit will be an opportunity for all interested parties to get an overview of the concession operation along with a tour of Concession Facilities associated with the New Contract. Offerors are encouraged to visit the facilities on their own to become familiar with physical conditions and locations, if unable to join the site visit.

